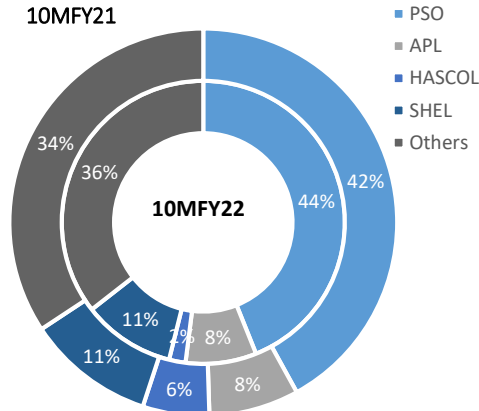
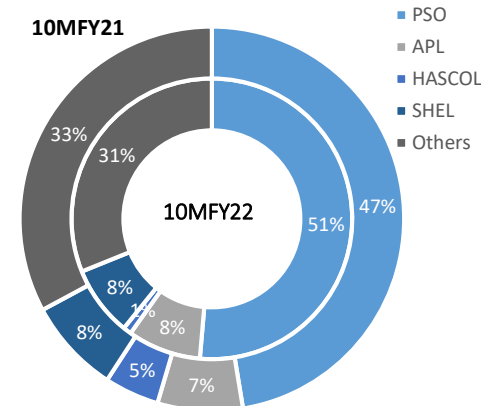


Sector Update

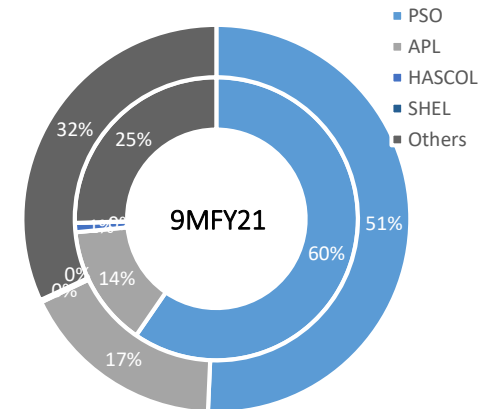
MS Market Share - Company wise



HSD Market Share - Company wise



FO Market Share - Company wise



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Oil & Gas Marketing Companies

Apr-22: Volumes Surge +32%/y led by growth in FO and retail segment

- Industry volumes for oil marketing companies for the month of Apr-22 witnessed a growth of +32%/y to 2.21mn ton bringing industry volumes for 10MFY22 to 18.48mn ton up by +17%/y.
- During the 10MFY22, FO/HSD/MS sales increased by +26%/+19%/+11%/y. Company wise PSO/APL/SHEL led the charts by posting +28%/+19%/+15%/y incline in total sales while HASCOL witnessed 63%/y plunge in total volumes with market share for HASCOL dropping by 3% to 1%.
- MS sales are likely to remain strong as introduction of new vehicles by new entrants such as KIA & Hyundai is likely to keep demand strong. HSD sales are likely to remain elevated amid pick up in commercial activity however rise in grey market sales amid higher prices may keep volume growth muted in the short term. Unchanged domestic prices may provide some support to volumes till Jun-22. FO sales are likely to remain strong in coming months owing to higher demand from IPPs.

Apr-22 POL sales augment by +32%/y to 2.21mn ton

Industry volumes for oil marketing companies for the month of Apr-22 witnessed a growth of +32%/y to 2.21mn ton bringing industry volumes for 10MFY22 to 18.48mn ton up by +17%/y. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were up by +2.6x/+17%/+15%/y during Apr-22. On a monthly basis, industry volumes increased by +21%/m during Apr-22 on the back of +62%/+33%/m incline in FO/HSD sales while other product sales declined by 17%/m.

During the 10MFY22, FO/HSD/MS sales increased by +26%/+19%/+11%/y. Company wise PSO/APL/SHEL led the charts by posting +28%/+19%/+15%/y incline in total sales while HASCOL witnessed 63%/y plunge in total volumes with market share for HASCOL dropping by 3% to 1%. However PSO's market share increased by +4% to 51%. SHEL and APL retained their market share at 8% and 9% respectively.

MS

MS sales inclined by +15%/y to 0.77mn ton during Apr-22, while on sequential basis, volumes remained flat. APL, PSO and SHEL posted +24%/y, +13%/y and +12%/y growth in volumes respectively, while HASCOL reported 62%/y decline during Apr-22. For 10MFY22, MS volumes are up by +11%/y to 7.45mn ton. During 10MCY22, APL, PSO and SHEL posted +19%/y, +16%/y and +10%/y growth in volumes respectively with PSO market share rising to 44%, while HASCOL registered 62%/y decline in sales with market share dropping to 2%.

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HSD

HSD sales increased by +17%/y/y to 0.92mn ton in Apr-22, while on monthly basis volumes are up by +33%/m/m. This brings total 10MFY22 sales at 7.31mn ton up by +19%Y/y. For 10MFY22, APL, PSO and SHEL led the charts with +40%/y/y, +28%/y/y and +20%/y/y growth in sales with market share for PSO, SHEL and APL increasing to 51%, 8% and 8% respectively. HASCOL registered 75%Y/y decline in HSD volumes during 10MFY22 with market share coming down to 1% from 5% in 10MFY21.

FO

FO volumes increased by +2.6xy/y during Apr-22 to 0.46mn ton likely attributable to higher demand from IPPs compared to last year. Volumes are up by +62%/m/m in Apr-22. As a result, total FO volumes are up by +26%/y/y in 10MFY22 to 3.13mn ton. For 10MFY22, PSO reported +48%/y/y incline in sales with PSO's market share increasing to 60% compared to 51% in 10MFY21.

Exhibit: OMC's Monthly Sales Volume (Apr-22)

000'tons	Apr-22	Mar-22	m/m	Apr-21	y/y	4MCY22	4MCY21	y/y	10MFY22	10MFY21	y/y
Industry											
MS	771.3	773.6	0%	671.3	15%	2,942.2	2,619.8	12%	7,454.9	6,730.2	11%
HSD	918.6	690.7	33%	785.8	17%	2,941.5	2,414.7	22%	7,306.9	6,161.6	19%
FO	460.7	284.6	62%	176.4	161%	1,227.8	856.0	43%	3,129.2	2,480.2	26%
Others	61.3	73.7	-17%	38.6	59%	261.9	182.0	44%	593.1	453.1	31%
Total	2,211.9	1,822.5	21%	1,672.2	32%	7,373.3	6,072.4	21%	18,484.1	15,825.1	17%
PSO											
MS	339.0	337.7	0%	300.2	13%	1,266.0	1,105.3	15%	3,274.4	2,826.0	16%
HSD	522.1	378.0	38%	373.3	40%	1,603.3	1,125.6	42%	3,753.4	2,921.2	28%
FO	314.5	176.9	78%	76.0	314%	698.9	441.5	58%	1,864.7	1,257.3	48%
Others	53.2	60.9	-13%	28.4	88%	216.2	133.5	62%	467.6	311.1	50%
Total	1,228.8	953.5	29%	777.9	58%	3,784.4	2,805.8	35%	9,360.1	7,315.7	28%
APL											
MS	61.7	60.7	2%	49.9	24%	238.5	203.1	17%	603.1	505.1	19%
HSD	69.2	58.6	18%	49.7	39%	248.4	175.4	42%	618.9	441.3	40%
FO	39.2	39.0	0%	32.0	23%	144.9	121.4	19%	434.6	427.4	2%
Others	2.7	4.0	-33%	3.2	-18%	12.5	13.5	-7%	32.8	40.5	-19%
Total	172.7	162.3	6%	134.9	28%	644.3	513.4	26%	1,689.5	1,414.3	19%
HASCOL											
MS	5.7	8.4	-32%	18.1	-69%	51.6	105.5	-51%	140.3	374.2	-62%
HSD	3.4	4.1	-16%	15.2	-77%	24.6	75.9	-68%	69.8	283.7	-75%
FO	-	-	0%	-	0%	-	-	0%	33.2	4.7	612%
Others	0.2	0.2	-27%	0.3	-47%	0.8	2.8	-71%	2.1	7.1	-71%
Total	9.3	12.8	-27%	33.6	-72%	77.0	184.3	-58%	245.4	669.6	-63%
SHEL											
MS	81.4	84.2	-3%	72.4	12%	314.2	291.0	8%	786.8	717.8	10%
HSD	72.6	54.6	33%	58.2	25%	231.5	202.3	14%	590.5	491.2	20%
FO	-	-	0%	-	n/m	-	-	0%	-	-	0%
Others	2.1	4.6	-55%	3.5	-40%	17.0	15.2	12%	52.4	38.3	37%
Total	156.1	143.4	9%	134.1	16%	562.7	508.5	11%	1,429.7	1,247.3	15%

Source: IGI Research, OCAC

Outlook

MS sales are likely to remain strong as introduction of new vehicles by new entrants such as KIA & Hyundai is likely to keep demand strong. HSD sales are likely to remain elevated amid pick up in commercial activity however rise in grey market sales amid higher prices may keep volume growth muted in the short term. Unchanged domestic prices may provide some support to volumes till Jun-22. FO sales are likely to remain strong in coming months owing to higher demand from IPPs.

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Day Break

Monday, May 9, 2022



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